

Amendments to Senate Bill No. 354
SB0354.02

Requested by Blue Cross Blue Shield of Montana
Presented by Tanya Ask
Prepared by Greg Gould
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1. Page 1, line 12.
Before: "average"
Strike: "weighted"

2. Page 1, line 17.
Before: "AVERAGE"
Strike: "WEIGHTED"

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House Human Services Committee
March 16, 2007

Bill would create insurance pool

■ **Plan would make state the administrator of policies, require businesses to provide contributions**

By **JOE MENDEN**
IR Staff Writer

A Montana House Republican began the bill-writing process over the weekend to create a state health insurance exchange with the goal of getting virtually every Montanan covered.

A bill requested by Rep. Gary MacLaren, R-Victor, would work to create a state

health insurance exchange, which would work through existing private insurance companies to make insurance more accessible to individuals.

MacLaren's proposed bill, which he said is still in the draft stage and has no bill number yet, is based on a system recently enacted in Massachusetts.

In Massachusetts' plan, employers are required to offer a policy to their

employees, and all individuals eventually have the responsibility to get insurance.

Studies have shown that about one-fifth of Montanans are without health insurance.

Edmund Haislmaier, research fellow in health policy studies at the

conservative thinktank The Heritage Foundation, was in Helena last week to speak to legislators and healthcare

professionals about the system Massachusetts is putting in place.

Haislmaier spoke to the Montana Medical Association Saturday.

Haislmaier compared Massachusetts' system to a giant human resources department run by the state. He said that because the state takes over the role of administering the system and provides a menu of approved policies, it reduces what businesses have to pay to offer insurance.

Also, the system, though paid for with employer con-

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MacLaren



Haislmaier

Insurance

continued from 1C

tributions, is not tied to a particular company, so an employee can keep the same policy when going to a new job or when between jobs.

The state also pays money into the system to provide subsidies to help buy insurance for people who don't have access to plans with employer contributions.

Haislmaier said the biggest savings, however, will come from the fact that virtually everyone will be insured and will presumably get better preventive care.

Haislmaier said that by far the most expensive place to treat a patient is in an emergency room, but for people on Medicaid and without insurance, the ER is the primary source for care.

He said that for the uninsured, there are 44 visits to the ER for every 100 people. For people on Medicaid that number rises to 80 visits for every 100 people.

But that number drops to

20 visits to the ER for every 100 people with private insurance.

He said this is because physicians often won't see Medicaid patients at their offices because Medicaid's payouts to doctors are lower than those of insurance companies, but hospitals are forbidden from denying treatment.

"Getting treated sooner saves money that way," Haislmaier said. "We know we will save a lot of money. We know that will happen."

Haislmaier said that each state has its own set of problems that are different, so each state needs to craft a plan that is customized for its set of circumstances.

G. Brian Zins, executive vice president of the Montana Medical Association, said the organization does not have a position on MacLaren's bill, but he said he was intrigued by Haislmaier's presentation and thinks Montana should look into such a system.

"(Haislmaier) has a unique point," Zins said. "Massachusetts did this. They have a program. That's why we

brought him in. That's why we're looking at it."

Zins added that the fact that it is being crafted at the state level to meet Montana's individual needs is attractive.

"We have to come to a realization that (the problem of the uninsured) is solvable," he said, adding that solving the problem needs to be done while maintaining quality physician care.

Zins said the MMA also has taken no position on Kaufmann's bill to establish universal health care.

MacLaren said the big intents of his bill are to make insurance more consumer driven and to make insurance portable.

MacLaren said his bill would create group to study implementing a system such as the one Massachusetts has. He said the panel would include doctors, hospitals and representatives from insurance companies.

"Anyone who has a stake in health care would be a part of it," he said.

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MONTANA MEDICAL ASSOCIATION

Primary care physicians¹ not accepting new Medicaid patients or otherwise limiting participation in the provision of Medicaid services:

1999 18%

2002 27%

2006 39%²

January 12, 2007

¹ Primary Care defined as Family Medicine, Internal Medicine, Obstetrics/Gynecology and Pediatrics.

² 2006 MMA Survey of primary care physicians reveals that 28% are not accepting new Medicare patients.